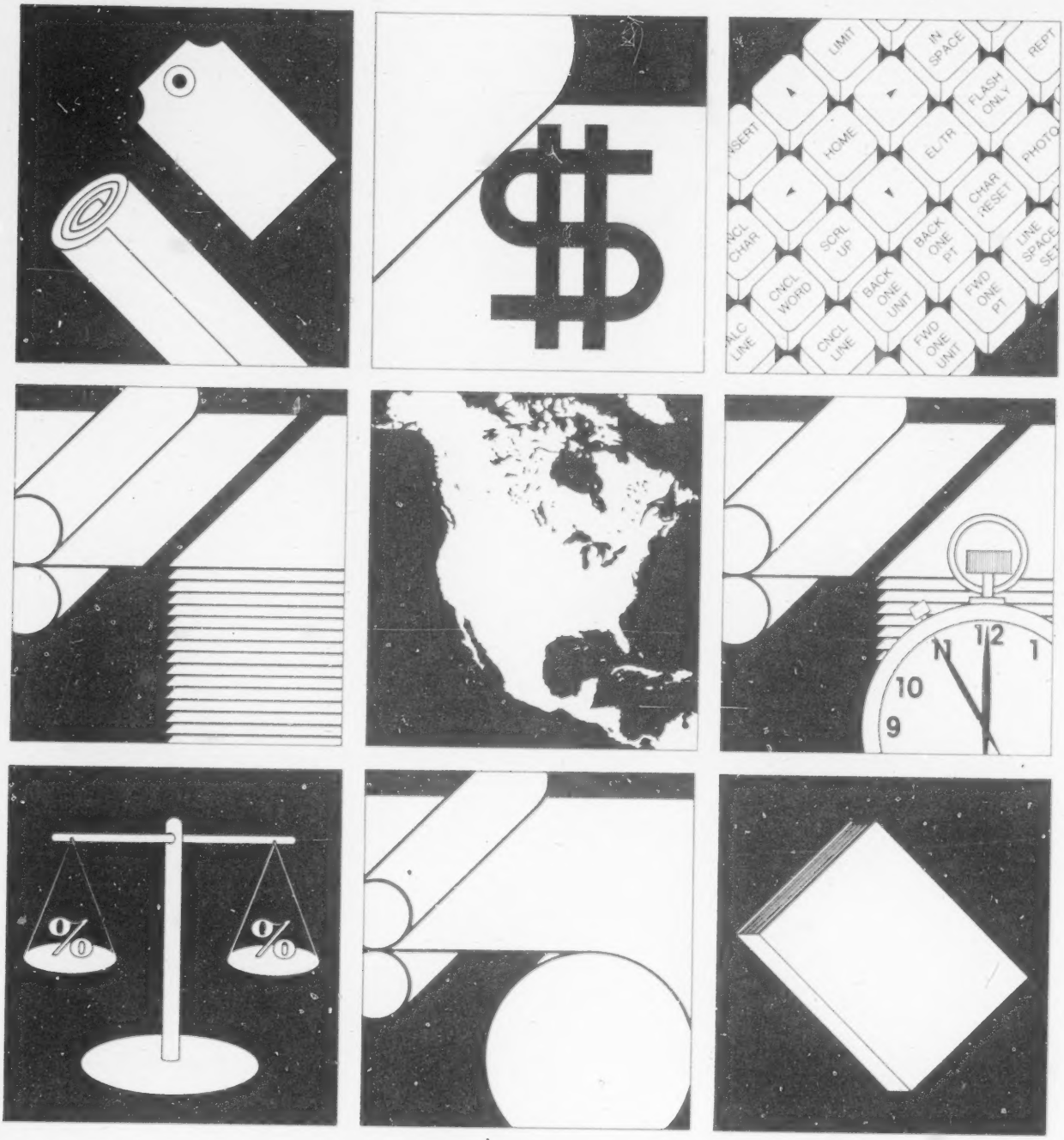
A8740-1.6 U 9/8

Printing Industries of America, Inc.

1984 Financial Ratios



Volume VI
Web Offset Printers—Heatset

ABOUT PIA . . .

Printing Industries of America, Inc., is a federation of national, regional, state, and city associations composed of over 12,000 graphic arts firms. PIA and its affiliated associations comprise the largest trade association in the world dedicated to serving the interests of the graphic arts community. Membership in one of PIA's Affiliated Associations automatically entitles an organization PIA membership.

PIA's Financial Services offers the following products and services:

- PrintFinance: PIA in conjunction with Merrill Lynch brings you an innovative, comprehensive financial package called PrintFinance, available only from PIA Financial Services. PrintFinance is a unique competitively priced financial service package developed especially for the printing industry and allied graphic arts firms.
- The Annual PIA Financial Ratio Study - A Multinational Financial Survey
- Money Manager - A Monthly Financial newsletter with an exclusive print activity forecast: PrintOutlook
- Reprints of "Economics and Financial Management" articles from issues of PIA Management News
- Financial Management/Microcomputer Seminars

For further information, contact:

William A. Rose, II
Director, PIA Financial Services
1730 North Lynn Street
Arlington, Virginia 22209
703/841-4805

PIA's Education and Publication Group is active in financial management, offering numerous publications on the subject:

- Best & Worst Markets for Printers in the 1980s (a unique marketing and financial planning aid, available by subscription directly from PIA)
- Cost Accounting for the Job Order Printer
- Graphic Arts Estimating, Volume I
- Money Making Guide to Printing Estimating, revised edition
- Running in the Black: Six Steps to Managing Printing Profitability
- Sales Compensation in the Printing Industry - 1983
- Simplified Cost System
- Tax Planning for Your Graphic Arts Business
- Understanding Value Added
- Value Added Financial Management: A Guide for Printers
- 1981-82 Production Management Compensation Survey
- 1983 Survey of Sales Management: Practices and Compensation
- 1984 Executive Compensation Report

These books are available through PIA Affiliated Associations' Graphic Arts Bookstores. For further information, contact:

Printing Industries of America, Inc.
Margaret A. Hogue, Director of Editorial Services
1730 North Lynn Street
Arlington, Virginia 22209
(703) 841-8144

61ST annual ratio study compiled from the operating statements and balance sheets submitted by representative members of the printing industry, and computed by RGS Enterprises, Inc., 1 Carlisle Drive, Arnold, Maryland 21012.

1984 FINANCIAL RATIOS

HEATSET WEB OFFSET

© 1984 by Printing Industries of America, Inc.

This material must not be reproduced in whole or in part in any form whatsoever without the express permission of

PRINTING INDUSTRIES OF AMERICA, INC.

Management Services Department
1730 North Lynn Street
Arlington, Virginia 22209

Edited and Prepared by H. R. Margolis Company,
Certified Public Accountants
New York and Philadelphia (Bala Cynwyd)

Printed in U.S.A.

PRINTING INDUSTRIES OF AMERICA, INC.
1730 North Lynn Street, Arlington, VA 22209 (703) 841-4805

Dear Colleague:

1984 is the 61st year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the U.S. and Canadian graphic arts industries. In addition, it allows individual firms to compare their annual performance with that of many other similar firms, including those which earn well above-average profits. Ratio results are published annually. They are summarized as follows:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers

For a more complete composite picture of your company's performance relative to the U.S. and Canadian printing industry, several books could be used in your analysis, such as one of the overview volumes, e.g., *All Printers by Sales Volume*, and one that addresses your particular business segment or production process, e.g., *Book Manufacturers or Web Offset — Heatset*, respectively. Alternatively, such analysis is facilitated by participating in the Ratio Study each year and ordering an individual company computer printout which compares a participant's ratios to those of companies which are similar in size and sales volume, produce the same products, and use the same manufacturing process.

Please refer your questions on the PIA Ratio Study to your nearest local PIA affiliated association or to me at the address above.

William A. Rose, II
Director, PIA Financial Services

Dear Member of the Graphic Arts Community:

In the accompanying pages are the 1984 PIA FINANCIAL RATIOS FOR HEATSET WEB OFFSET PRINTERS. This Ratio Study was developed on the basis of questionnaires volunteered by 71 firms and presents the ratios and statistics of Heatset Web Offset Printers by sales volume, product, and percentage of paper supplied.

Thus the user of the report can direct himself to the standards for his sales size — for example, sales from $1.5 to $5 million, sales from $5 to $10 million, etc.; product specialty — for example, Commercial and Advertising, Magazine and Periodical, etc.; and percentage of paper supplied — for example, 0% to 11%, 11% to 21%, etc. Readers can compare the data from their own firm's financial statements with similar data from other firms in five areas: Operations based on Value Added and its Supporting Schedules, Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts, and Return on Investment.

We strongly believe in the importance of sharing this type of information among members of the graphic arts community and are proud to have played a role in compiling these studies.

H.R. Margolis Company
Certified Public Accountants
Bala Cynwyd, Pennsylvania

TABLE OF CONTENTS

	Page Number
FOREWORD	2
VALUE ADDED -- WHAT IT MEANS TO YOU	4- 5
CHAPTER 1 - BY SIZE OF FIRM	6-19
Report on Operations - Value Added = 100%	6- 7
Supporting Schedules - Value Added = 100%	8- 9
Report on Operations - Sales = 100%	10-11
Supporting Schedules - Sales = 100%	10-13
Balance Sheet	14-15
Significant Facts	16-17
Return on Investment - Per $100 of Sales	18-19
CHAPTER 2 - BY PRODUCT SPECIALTY	20-33
Report on Operations - Value Added = 100%	20-21
Supporting Schedules - Value Added = 100%	22-23
Report on Operations - Sales = 100%	24-25
Supporting Schedules - Sales = 100%	24-27
Balance Sheet	28-29
Significant Facts	30-31
Return on Investment - Per $100 of Sales	32-33
CHAPTER 3 - BY PERCENTAGE OF PAPER SUPPLIED	34-47
Report on Operations - Value Added = 100%	34-35
Supporting Schedules - Value Added = 100%	36-37
Report on Operations - Sales = 100%	38-39
Supporting Schedules - Sales = 100%	38-41
Balance Sheet	42-43
Significant Facts	44-45
Return on Investment - Per $100 of Sales	46-47
ABSOLUTE DATA	48-49

Congratulations on partaking of the web offset ratio study program. I'm sure that as you review the wealth of information contained in the book that you will find it to be a very rewarding exercise.

In case you are not acquainted with Web Offset Section activities, we have a very active group. WOS produces a variety of reports dealing with heatset web offset printing. Two of the most widely used of these publications are the *Heatset Web Offset Directory*, listing most heatset web offset plants in the United States and Canada, and its companion volume, the *Web Offset Product Catalog*, which describes the primary products printed by the companies listed in the Directory.

Over 1,400 people attend our Annual Web Offset Conference each year, where they hear discussions and exchange information on the technology and problems unique to web offset production. Transcriptions of these sessions are also published by the Section in the form of the *Web Offset Proceedings*, and are available for the use of industry firms.

Our next annual meeting will be held May 6-8, 1985, at the Sheraton-Boston Hotel, Boston, Massachusetts. Additional information about our meeting and publications is available from the Web Offset Section.

Edward W. Hill, Jr.
Executive Director
Web Offset Section

VALUE ADDED DEFINED

Value added is simply your sales less material costs, which include paper, other chargeable materials and outside services. Value added is, therefore, that component of a sale attributable to your own manufacture. It is calculated as follows:

Sales		$100.00
Less Materials:		
Paper	$ 23.03	
Other chargeable materials	5.38	
Outside services	8.03	36.44
Value Added		$ 63.56

Other chargeable materials include ink, film, plates, etc., but not general supplies, such as repair or maintenance parts. Outside services are purchases of job-related services -- composition, offset preparation, printing, bindery, etc.

KNOWN BY OTHER TERMS

Value added is also known by such other terms as inside sales, conversion value, inside manufacturing value and real contribution to overhead and profit. Whatever the term, the concept of value added is of prime importance to the profitability of your operations.

CONCEPTUAL UNDERSTANDING OF VALUE ADDED

Once you observe that value added is the residual of sales less material costs, you realize that this value provided by your own manufacture is all you have available to pay your remaining expenses. These are:

- Factory labor
- Other factory expenses
- Administrative expenses
- Selling expenses
- Interest

Then, what is left is a profit. This is different from the basic "cost sheet concept" that we are accustomed to in the printing industry.

Since, generally, within a relevant range of operations, these expenses behave as fixed costs, the "overhead" represented by these expenses will remain practically constant. Therefore, you want to maximize your value added.

Let us illustrate this with the following example, in which we are increasing the value added derived from $1,000,000 of sales from $635,600 to $675,000 to see the effect on operating income. We will assume that "overhead" (factory labor; other factory, administrative, selling and interest expenses) will remain the same.

The assumption that these expenses will not increase is being taken with some license; actually they would increase, but very little. We are taking this liberty to prove the point that, within this relevant range, these expenses behave in a fixed manner. This helps to understand the effect of value added on profit.

	Original	After Increase in Value Added
SALES	$1,000,000	
Material Costs	364,400	
VALUE ADDED	635,600	$675,000
"Overhead"	591,000	591,000
Operating Income	$ 44,600	$ 84,000

STATEMENT OF OPERATIONS -- VALUE ADDED: THE BETTER STATEMENT

By eliminating the distortion that material costs introduce into the conventional operating statement, value added gives you a truer picture of your operations.

For example, if we were comparing the statement of operations of a short-run, sheet-fed company with that of a web-offset firm, and our comparison was related to percentages based on sales, we could have significant differences in ratios. The reason: the significant differences in material costs. It would appear that the web-offset operation had a lower factory labor cost because a substantial amount of the sale was materials. But, in truth, the factory labor cost could be more or less than its counterpart sheet-fed operation as it relates to the value added produced by this labor.

Almost every company's product mix is different and, by using statements of operations based on value added, this product mix difference is eliminated. In conclusion, the Statement of Operations -- Value Added is a better statement with which to evaluate your operations.

REPORT ON OPERATIONS - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%
FACTORY PAYROLL	45.14	40.24	30.70
FACTORY EXPENSES	23.23	22.10	20.86
TOTAL FACTORY COST OF PRODUCT	68.37	62.34	51.56
GROSS PROFIT	31.63	37.66	48.44
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	10.49	9.15	22.11
Selling expenses	8.51	6.76	10.34
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	19.00	15.91	32.45
INCOME BEFORE INTEREST EXPENSE	12.63	21.75	15.99
Interest expense	3.10	2.28	4.59
OPERATING INCOME	9.53	19.47	11.40
Other income	1.09	1.51	0.81
INCOME BEFORE INCOME TAXES	10.62	20.98	12.21

* See Page 10 for the definition of "Profit Leaders."
** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
X	X	X	X	X	X
X	X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
45.42	39.68	44.05	38.95	46.89	41.33
24.22	19.23	23.48	21.50	23.14	22.71
69.64	58.91	67.53	60.45	70.03	64.04
30.36	41.09	32.47	39.55	29.97	35.96
11.52	10.15	10.74	11.32	8.58	8.48
10.36	5.73	8.22	4.76	7.79	7.00
21.88	15.88	18.96	16.08	16.37	15.48
8.48	25.21	13.51	23.47	13.60	20.48
4.80	3.51	3.07	1.81	2.42	2.38
3.68	21.70	10.44	21.66	11.18	18.10
1.38	0.60	0.70	1.42	1.22	1.71
5.06	22.30	11.14	23.08	12.40	19.81

CHAPTER 1 - BY SIZE OF FIRM

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	2.79%	2.12%	3.24%
Direct wages	28.47	25.37	21.87
General factory salaries and wages	4.78	4.39	1.01
Packing, shipping and delivery wages	1.35	1.28	0.65
Payroll taxes	2.62	2.48	1.83
Employee benefits	5.13	4.60	2.10
TOTAL FACTORY PAYROLL	45.14	40.24	30.70
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.51	0.44	0.00
Depreciation - other	5.93	5.67	5.74
Taxes - real estate	0.39	0.30	0.00
Taxes - other	0.30	0.18	0.38
Insurance	0.34	0.40	0.24
Building rent	0.90	0.69	1.55
Utilities - heat, light, etc.	3.19	3.27	2.03
Equipment rental	0.77	0.52	2.52
Total Fixed Expenses	12.33	11.47	12.46
Other Expenses			
Factory supplies and expense	5.11	5.12	4.57
Packing, shipping and delivery expense	1.59	1.67	0.36
Repairs and maintenance	2.91	2.70	2.45
Other factory expenses	1.29	1.14	1.02
Total Other Expenses	10.90	10.63	8.40
TOTAL FACTORY EXPENSES	23.23	22.10	20.86
ADMINISTRATIVE EXPENSES			
Salaries - executive	2.49	2.31	5.78
Salaries - office	2.35	2.23	3.67
Payroll taxes	0.31	0.25	1.15
Employee benefits	0.67	0.80	0.51
Bad debts	0.73	0.56	0.85
Office supplies and expenses	0.50	0.52	1.40
Professional fees	0.63	0.59	0.85
Taxes - business	0.11	0.15	0.04
Telephone	0.47	0.39	1.11
Other administrative expenses	2.23	1.35	6.75
TOTAL ADMINISTRATIVE EXPENSES	10.49	9.15	22.11
SELLING EXPENSES			
Salaries - executive	0.92	0.98	1.70
Salaries and commissions - salesmen	3.48	2.30	3.53
Salaries - sales office clerical	1.00	0.75	0.71
Payroll taxes	0.25	0.18	0.37
Employee benefits	0.42	0.28	0.32
Advertising	0.35	0.13	0.60
Travel and entertainment	0.88	0.64	2.41
Other selling expenses	1.21	1.50	0.70
TOTAL SELLING EXPENSES	8.51	6.76	10.34

** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
2.07%	1.94%	3.27%	2.56%	2.72%	2.05%
31.14	29.73	26.17	24.48	28.91	25.24
3.16	1.97	4.93	4.18	5.78	4.99
1.61	0.94	1.41	0.50	1.28	1.50
2.51	2.39	2.83	2.43	2.67	2.52
4.93	2.71	5.44	4.80	5.53	5.03
45.42	39.68	44.05	38.95	46.89	41.33
0.76	0.73	0.45	0.22	0.51	0.49
7.96	5.55	5.36	4.45	5.63	5.87
0.59	0.43	0.32	0.13	0.41	0.35
0.45	0.00	0.20	0.09	0.28	0.19
0.45	0.31	0.48	0.57	0.25	0.36
0.74	0.28	1.35	1.37	0.55	0.53
3.02	3.46	3.44	2.98	3.27	3.39
0.41	0.00	0.56	0.30	0.82	0.68
14.38	10.76	12.16	10.11	11.72	11.86
4.22	3.77	4.59	4.37	5.77	5.60
0.58	0.63	2.84	3.05	1.49	1.50
3.37	3.56	3.22	3.32	2.69	2.45
1.67	0.51	0.67	0.65	1.47	1.30
9.84	8.47	11.32	11.39	11.42	10.85
24.22	19.23	23.48	21.50	23.14	22.71
2.95	2.59	3.21	4.11	1.58	1.81
2.84	3.59	2.28	2.92	1.96	1.91
0.34	0.41	0.35	0.31	0.19	0.22
0.73	0.66	0.78	1.02	0.64	0.80
0.97	0.50	0.52	0.20	0.70	0.60
0.46	0.73	0.57	0.65	0.38	0.48
0.68	0.37	0.64	0.46	0.57	0.61
0.25	0.17	0.06	0.11	0.09	0.16
0.43	0.31	0.57	0.57	0.36	0.35
1.87	0.82	1.76	0.97	2.11	1.54
11.52	10.15	10.74	11.32	8.58	8.48
0.94	0.95	0.60	0.36	0.99	0.97
5.05	1.85	3.40	0.73	3.05	2.77
1.21	1.12	0.87	0.66	1.04	0.63
0.36	0.25	0.22	0.14	0.22	0.15
0.57	0.35	0.29	0.16	0.44	0.31
0.66	0.05	0.35	0.07	0.23	0.13
0.82	0.27	0.97	0.49	0.72	0.67
0.75	0.89	1.52	2.15	1.10	1.37
10.36	5.73	8.22	4.76	7.79	7.00

CHAPTER 1 - BY SIZE OF FIRM

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIALS			
Paper	30.37	25.70	30.35
Other chargeable materials	7.71	8.47	4.78
Outside services	5.15	5.37	16.62
TOTAL MATERIALS	43.23	39.54	51.75
FACTORY PAYROLL	25.78	24.48	15.65
FACTORY EXPENSES	13.18	13.51	11.02
TOTAL FACTORY COST OF PRODUCT	82.19	77.53	78.42
GROSS PROFIT	17.81	22.47	21.58
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	5.73	5.46	8.33
Selling expenses	4.78	4.02	4.98
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	10.51	9.48	13.31
INCOME BEFORE INTEREST EXPENSE	7.30	12.99	8.27
Interest expense	1.69	1.39	2.48
OPERATING INCOME	5.61	11.60	5.79
Other income	0.62	0.93	0.41
INCOME BEFORE INCOME TAXES	6.23	12.53	6.20

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	5.10%	6.43%	2.58%
Film	0.65	0.41	0.57
Plates	0.93	0.75	0.95
Other chargeable materials	1.03	0.88	0.68
TOTAL OTHER CHARGEABLE MATERIALS	7.71	8.47	4.78
OUTSIDE SERVICES			
Composition	0.09	0.06	0.02
Offset preparation	1.03	1.18	0.45
Printing	1.73	1.98	10.94
Binding	1.27	0.87	2.17
Other outside services	1.03	1.28	3.04
TOTAL OUTSIDE SERVICES	5.15	5.37	16.62

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
33.26	29.78	30.13	25.88	29.63	24.67
6.35	5.29	7.20	6.42	8.84	9.79
5.44	7.37	5.37	6.47	3.67	4.64
45.05	42.44	42.70	38.77	42.14	39.10
24.89	23.21	25.26	23.65	27.20	25.38
13.15	10.93	13.23	13.32	13.41	14.00
83.09	76.58	81.19	75.74	82.75	78.48
16.91	23.42	18.81	24.26	17.25	21.52
6.27	5.68	6.14	6.92	4.91	5.10
5.69	3.47	4.64	3.05	4.49	4.11
11.96	9.15	10.78	9.97	9.40	9.21
4.95	14.27	8.03	14.29	7.85	12.31
2.44	1.88	1.72	1.17	1.35	1.46
2.51	12.39	6.31	13.12	6.50	10.85
0.75	0.33	0.39	0.90	0.70	1.05
3.26	12.72	6.70	14.02	7.20	11.90
2.91%	3.00%	4.00%	4.14%	6.60%	7.74%
1.04	1.28	0.77	0.65	0.51	0.29
1.17	1.01	0.99	0.51	0.87	0.84
1.23	0.00	1.44	1.12	0.86	0.92
6.35	5.29	7.20	6.42	8.84	9.79
0.13	0.38	0.19	0.16	0.06	0.02
1.50	2.30	1.03	1.86	1.02	0.90
0.80	1.09	1.22	2.35	1.06	1.82
1.70	2.02	2.37	0.34	0.62	0.82
1.31	1.58	0.56	1.76	0.91	1.08
5.44	7.37	5.37	6.47	3.67	4.64

CHAPTER 1 - BY SIZE OF FIRM

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	1.58%	1.27%	1.86%
Direct wages	16.23	15.43	10.65
General factory salaries and wages	2.73	2.70	0.59
Packing, shipping and delivery wages	0.75	0.74	0.36
Payroll taxes	1.51	1.52	0.99
Employee benefits	2.98	2.82	1.20
TOTAL FACTORY PAYROLL	25.78	24.48	15.65
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.28	0.27	0.00
Depreciation - other	3.34	3.42	3.21
Taxes - real estate	0.22	0.18	0.00
Taxes - other	0.17	0.11	0.21
Insurance	0.19	0.24	0.14
Building rent	0.51	0.44	0.88
Utilities - heat, light, etc.	1.83	1.98	1.17
Equipment rental	0.44	0.35	1.50
Total Fixed Expenses	6.98	6.99	7.11
Other Expenses			
Factory supplies and expense	2.94	3.13	2.07
Packing, shipping and delivery expense	0.89	1.06	0.21
Repairs and maintenance	1.63	1.63	1.05
Other factory expenses	0.74	0.70	0.58
Total Other Expenses	6.20	6.52	3.91
TOTAL FACTORY EXPENSES	13.18	13.51	11.02
ADMINISTRATIVE EXPENSES			
Salaries - executive	1.39	1.40	2.42
Salaries - office	1.30	1.31	1.58
Payroll taxes	0.17	0.15	0.38
Employee benefits	0.39	0.49	0.28
Bad debts	0.39	0.33	0.33
Office supplies and expenses	0.27	0.30	0.71
Professional fees	0.35	0.35	0.35
Taxes - business	0.07	0.10	0.02
Telephone	0.25	0.24	0.44
Other administrative expenses	1.15	0.79	1.82
TOTAL ADMINISTRATIVE EXPENSES	5.73	5.46	8.33
SELLING EXPENSES			
Salaries - executive	0.53	0.62	0.96
Salaries and commissions - salesmen	1.92	1.28	1.62
Salaries - sales office clerical	0.57	0.45	0.40
Payroll taxes	0.14	0.10	0.20
Employee benefits	0.24	0.18	0.18
Advertising	0.19	0.08	0.24
Travel and entertainment	0.47	0.38	0.99
Other selling expenses	0.72	0.93	0.39
TOTAL SELLING EXPENSES	4.78	4.02	4.98

** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
1.11%	1.13%	1.85%	1.52%	1.55%	1.23%
17.06	17.34	15.10	14.91	16.76	15.54
1.77	1.18	2.71	2.53	3.35	3.08
0.85	0.54	0.77	0.30	0.73	0.86
1.39	1.40	1.62	1.49	1.57	1.57
2.71	1.62	3.21	2.90	3.24	3.10
24.89	23.21	25.26	23.65	27.20	25.38
0.43	0.41	0.25	0.14	0.29	0.30
4.32	3.09	3.01	2.71	3.22	3.59
0.33	0.23	0.17	0.09	0.22	0.21
0.26	0.00	0.10	0.06	0.16	0.12
0.25	0.17	0.26	0.35	0.14	0.21
0.36	0.19	0.76	0.87	0.33	0.34
1.68	2.01	1.93	1.81	1.91	2.07
0.21	0.00	0.28	0.19	0.50	0.46
7.84	6.10	6.76	6.22	6.77	7.30
2.24	2.13	2.69	2.72	3.41	3.44
0.33	0.39	1.54	1.98	0.84	0.95
1.81	2.00	1.85	2.02	1.54	1.50
0.93	0.31	0.39	0.38	0.85	0.81
5.31	4.83	6.47	7.10	6.64	6.70
13.15	10.93	13.23	13.32	13.41	14.00
1.63	1.45	1.86	2.58	0.93	1.10
1.54	1.98	1.29	1.70	1.11	1.17
0.19	0.23	0.20	0.19	0.11	0.13
0.41	0.38	0.46	0.61	0.37	0.49
0.52	0.31	0.29	0.13	0.38	0.34
0.24	0.38	0.32	0.37	0.22	0.29
0.36	0.21	0.38	0.30	0.32	0.36
0.14	0.09	0.03	0.07	0.06	0.11
0.23	0.18	0.33	0.34	0.21	0.22
1.01	0.47	0.98	0.63	1.20	0.89
6.27	5.68	6.14	6.92	4.91	5.10
0.51	0.60	0.33	0.23	0.59	0.62
2.80	1.13	1.88	0.47	1.71	1.50
0.64	0.70	0.50	0.43	0.60	0.38
0.20	0.16	0.13	0.09	0.13	0.08
0.32	0.22	0.17	0.10	0.26	0.19
0.35	0.03	0.21	0.04	0.13	0.08
0.45	0.15	0.53	0.31	0.41	0.40
0.42	0.48	0.89	1.38	0.66	0.86
5.69	3.47	4.64	3.05	4.49	4.11

CHAPTER 1 - BY SIZE OF FIRM

BALANCE SHEET

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
ASSETS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
CURRENT ASSETS			
Cash	5.20%	7.33%	11.36%
Receivables	27.49	25.07	26.40
Inventories	15.92	10.61	19.97
Other current assets	4.27	6.81	6.97
TOTAL CURRENT ASSETS	52.88	49.82	64.70
FIXED ASSETS			
Real estate	11.86	10.47	0.00
Less: Accumulated depreciation	3.72	2.66	0.00
	8.14	7.81	0.00
Machinery and equipment	66.03	64.70	57.58
Less: Accumulated depreciation	33.40	29.91	29.11
	32.63	34.79	28.47
Other fixed assets	2.78	2.15	7.15
Less: Accumulated depreciation	1.55	1.09	4.54
	1.23	1.06	2.61
NET FIXED ASSETS	42.00	43.66	31.08
OTHER ASSETS	5.12	6.52	4.22
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	6.39	4.02	9.88
Accounts payable	13.10	9.14	15.35
Other current liabilities	10.32	10.15	27.92
TOTAL CURRENT LIABILITIES	29.81	23.31	53.15
LONG-TERM LIABILITIES	27.31	24.66	24.88
TOTAL LIABILITIES	57.12	47.97	78.03
SHAREHOLDERS' AND PROPRIETORS' EQUITY	42.88	52.03	21.97
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.77	2.14	1.22
QUICK RATIO	1.24	1.68	0.84
TOTAL LIABILITIES TO EQUITY	1.33	0.92	3.55
LONG-TERM LIABILITIES TO EQUITY	0.64	0.47	1.13
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.51	0.46	0.51

** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
9.32%	8.67%	3.20%	15.31%	4.04%	4.67%
24.25	25.70	25.83	17.14	29.09	26.91
12.63	11.73	22.36	16.26	13.92	8.38
5.92	5.64	3.30	4.63	3.92	7.26
52.12	51.74	54.69	53.34	50.97	47.22
14.87	18.53	8.17	4.86	14.00	11.58
5.61	5.97	2.39	1.79	4.13	2.63
9.26	12.56	5.78	3.07	9.87	8.95
70.31	48.16	62.03	55.64	67.65	67.70
37.58	20.27	30.59	27.50	33.32	29.82
32.73	27.89	31.44	28.14	34.33	37.88
2.36	1.87	3.11	4.56	2.34	1.69
1.60	1.65	1.71	2.76	1.15	0.65
0.76	0.22	1.40	1.80	1.19	1.04
42.75	40.67	38.62	33.01	45.39	47.87
5.13	7.59	6.69	13.65	3.64	4.91
100.00	100.00	100.00	100.00	100.00	100.00
3.60	2.20	8.18	4.87	5.97	4.27
8.84	8.88	18.13	7.48	12.32	9.64
9.03	18.52	8.60	6.74	9.67	9.49
21.47	29.60	34.91	19.09	27.96	23.40
36.84	25.12	27.71	23.69	24.79	26.48
58.31	54.72	62.62	42.78	52.75	49.88
41.69	45.28	37.38	57.22	47.25	50.12
100.00	100.00	100.00	100.00	100.00	100.00
2.43	1.75	1.57	2.79	1.82	2.02
1.84	1.35	0.93	1.94	1.33	1.66
1.40	1.21	1.68	0.75	1.12	1.00
0.88	0.55	0.74	0.41	0.52	0.53
0.53	0.42	0.49	0.49	0.49	0.44

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 54,990	$ 62,806	$ 49,788
Average assets per factory employee (Excluding Executives)	69,203	75,742	80,692
Average net worth per employee - All employees	22,849	32,682	8,987
Average gross plant investment per factory employee (Excluding Executives)	53,599	57,458	44,074
Net worth percentage of fixed assets	138.07%	141.88%	90.88%
EMPLOYEES			
Percent factory - All employees	84.03%	86.62%	69.18%
Percent administrative - All employees	9.01	8.14	20.13
Percent sales - All employees	6.96	5.24	10.69
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 95,345	$ 104,270	$115,159
Sales per factory employee	116,227	122,250	181,573
Sales less material per factory employee	63,158	70,566	68,243
Sales per administrative employee	1,348,189	1,467,293	687,168
EXCLUDING EXECUTIVES			
Sales per employee - All employees	101,971	109,573	134,160
Sales per factory employee	121,364	126,370	189,786
Sales less material per factory employee	65,999	72,929	72,936
SALES PER SALESMAN	2,399,205	3,461,682	582,647
SALES TO CURRENT ASSETS	376%	356%	356%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	32.42%	30.48%	23.68%
Factory payroll percentage of gross plant investment	57.90	54.04	50.41
Payroll per employee - All employees	$ 29,348	$ 30,096	$ 22,491
Payroll per factory employee	27,649	27,735	20,591
Payroll per administrative employee	35,422	45,062	25,772
Payroll per sales employee	45,699	50,799	31,019
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 22,823	$ 22,955	$ 16,997
Payroll per factory employee	22,223	22,247	16,992
Payroll per administrative employee	17,854	20,844	13,406
Payroll per sales employee	36,880	37,502	26,275
EXECUTIVE PAYROLL			
Payroll per executive - All executives	55,957	73,176	35,047
Payroll per factory executive	38,829	43,604	22,892
Payroll per administrative executive	75,509	103,660	38,980
Payroll per sales executive	55,899	72,076	26,277
RECEIVABLES			
Collection period	59.1	56.8	48.0
PROFIT			
Gross profit percentage of sales	17.81%	22.47%	21.58%
Average gross profit per factory employee	$ 21,855	$ 27,892	$ 35,795
Income before taxes percentage of sales	6.23%	12.53%	6.20%
Average income before taxes per employee	$ 6,052	$ 12,520	$ 5,745

** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 57,977	$ 56,685	$ 52,468	$ 61,225	$ 56,492	$ 65,679
73,906	73,466	67,474	73,790	68,070	78,136
21,859	26,057	19,232	35,796	26,477	33,044
61,522	49,489	47,859	45,051	55,343	62,563
114.63%	131.10%	107.75%	207.96%	130.24%	118.24%
80.82%	79.60%	84.59%	87.05%	86.80%	88.02%
10.23	12.90	8.87	9.49	6.98	7.25
8.95	7.50	6.54	3.46	6.22	4.73
$ 81,476	$ 86,593	$ 98,783	$ 100,332	$ 97,940	$ 109,052
101,432	108,658	119,876	115,113	114,274	126,946
55,865	62,049	66,886	70,519	64,187	72,370
900,047	778,737	1,189,426	1,115,945	1,677,428	1,666,979
86,046	90,493	106,529	107,428	103,486	113,721
104,355	111,947	127,021	120,375	118,989	130,713
57,497	63,945	70,778	73,649	66,785	74,502
1,137,790	390,045	2,219,044	4,732,699	3,121,449	3,887,582
304%	305%	459%	363%	368%	364%
33.13%	30.05%	32.08%	30.07%	33.01%	31.04%
43.68	54.73	61.45	67.99	59.98	51.06
$ 26,643	$ 25,382	$ 30,414	$ 30,242	$ 30,858	$ 31,321
24,695	24,640	28,154	27,114	29,422	28,949
30,408	28,160	41,537	58,912	36,149	44,695
40,338	27,797	44,452	29,588	50,944	60,995
$ 21,002	$ 20,276	$ 22,884	$ 21,879	$ 24,225	$ 24,032
20,168	20,898	22,083	21,416	23,659	23,068
15,844	14,284	17,970	23,629	19,205	21,373
34,213	22,618	37,260	23,799	39,795	44,279
52,853	64,590	62,303	71,301	57,336	77,475
39,569	40,568	48,577	40,505	36,379	46,388
70,673	117,427	84,881	105,199	78,412	105,215
31,427	24,263	55,277	21,985	69,479	93,964
62.3	65.3	50.5	34.3	62.5	62.0
16.91%	23.42%	18.81%	24.26%	17.25%	21.52%
$ 18,444	$ 26,257	$ 24,897	$ 29,824	$ 20,485	$ 27,358
3.26%	12.72%	6.70%	14.02%	7.20%	11.90%
$ 2,786	$ 11,021	$ 6,694	$ 14,196	$ 7,100	$ 12,244

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES FROM $1.5 TO $5 MILLION**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 3.81	$ 5.12	$ 4.23
Receivables	15.54	14.91	12.74
Inventories	8.35	6.61	8.84
Marketable securities	1.12	2.48	1.21
Other current assets	1.44	2.04	1.56
	30.26	31.16	28.58
Plant Investment:			
Land and building	7.29	6.92	0.00
Machinery and equipment	38.43	39.57	28.24
Other fixed assets	1.59	1.35	2.83
	47.31	47.84	31.07
Non-Current Assets	3.05	3.65	2.66
TOTAL INVESTMENT	80.62	82.65	62.31
INVESTMENT TURNOVER PER $100 OF SALES	124.04%	120.99%	160.49%
EARNINGS			
Cost of Product	$82.19	$77.53	$78.42
Selling Expenses	4.78	4.02	4.98
Administrative Expenses	5.73	5.46	8.33
	92.70	87.01	91.73
Income Before Interest, Other Income, and Taxes	7.30	12.99	8.27
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	9.05%	15.72%	13.27%

** Sample insufficient for Profit Leaders.

SALES FROM $5 TO $10 MILLION		SALES FROM $10 TO $20 MILLION		SALES OVER $20 MILLION	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 7.62	$ 6.43	$ 3.64	$11.90	$ 2.58	$ 3.09
16.56	17.10	13.15	8.95	16.42	16.34
8.53	8.08	8.74	10.58	8.11	5.21
1.62	2.72	0.59	0.00	1.20	2.95
1.83	0.57	1.05	2.60	1.48	2.21
36.16	34.90	27.17	34.03	29.79	29.80
9.93	11.93	5.13	2.79	8.28	7.81
48.21	30.88	33.37	32.84	38.69	42.44
1.68	1.05	1.78	2.37	1.35	1.21
59.82	43.86	40.28	38.00	48.32	51.46
3.63	5.75	4.03	6.40	2.06	2.89
99.61	84.51	71.48	78.43	80.17	84.15
100.39%	118.33%	139.90%	127.50%	124.73%	118.84%
$83.09	$76.58	$81.19	$75.74	$82.75	$78.48
5.69	3.47	4.64	3.05	4.49	4.11
6.27	5.68	6.14	6.92	4.91	5.10
95.05	85.73	91.97	85.71	92.15	87.69
4.95	14.27	8.03	14.29	7.85	12.31
4.97%	16.89%	11.23%	18.22%	9.79%	14.63%

REPORT ON OPERATIONS - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%
FACTORY PAYROLL	43.05	36.63
FACTORY EXPENSES	24.39	21.74
TOTAL FACTORY COST OF PRODUCT	67.44	58.37
GROSS PROFIT	32.56	41.63
ADMINISTRATIVE AND SELLING EXPENSES		
Administrative expenses	10.46	10.28
Selling expenses	10.02	8.97
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	20.48	19.25
INCOME BEFORE INTEREST EXPENSE	12.08	22.38
Interest expense	3.40	1.87
OPERATING INCOME	8.68	20.51
Other income	0.91	1.12
INCOME BEFORE INCOME TAXES	9.59	21.63

** Sample insufficient for Profit Leaders.

MAGAZINE AND PERIODICAL		DIRECT MAIL - CATALOG**	NO PREDOMINANT SPECIALTY**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
X	X	X	X
X	X	X	X
100.00%	100.00%	100.00%	100.00%
46.19	42.25	41.27	53.00
22.57	22.49	19.56	22.58
68.76	64.74	60.83	75.58
31.24	35.26	39.17	24.42
10.55	8.45	6.70	12.94
7.12	5.15	14.47	6.59
17.67	13.60	21.17	19.53
13.57	21.66	18.00	4.89
3.10	2.73	4.18	0.88
10.47	18.93	13.82	4.01
1.33	1.56	0.11	0.07
11.80	20.49	13.93	4.08

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL		
Salaries - executive	2.63%	1.61%
Direct wages	27.20	23.87
General factory salaries and wages	4.33	3.48
Packing, shipping and delivery wages	1.64	1.86
Payroll taxes	2.58	2.22
Employee benefits	4.67	3.59
TOTAL FACTORY PAYROLL	43.05	36.63
FACTORY EXPENSES		
Fixed Expenses		
Depreciation - real estate	0.55	0.33
Depreciation - other	6.64	5.42
Taxes - real estate	0.53	0.33
Taxes - other	0.39	0.17
Insurance	0.44	0.47
Building rent	1.10	1.20
Utilities - heat, light, etc.	3.28	3.37
Equipment rental	0.56	0.18
Total Fixed Expenses	13.49	11.47
Other Expenses		
Factory supplies and expense	4.76	4.79
Packing, shipping and delivery expense	1.76	1.33
Repairs and maintenance	2.96	2.91
Other factory expenses	1.42	1.24
Total Other Expenses	10.90	10.27
TOTAL FACTORY EXPENSES	24.39	21.74
ADMINISTRATIVE EXPENSES		
Salaries - executive	2.68	2.73
Salaries - office	2.30	2.09
Payroll taxes	0.28	0.24
Employee benefits	0.68	0.84
Bad debts	0.58	0.69
Office supplies and expenses	0.45	0.31
Professional fees	0.70	0.79
Taxes - business	0.13	0.03
Telephone	0.52	0.36
Other administrative expenses	2.14	2.20
TOTAL ADMINISTRATIVE EXPENSES	10.46	10.28
SELLING EXPENSES		
Salaries - executive	0.96	1.00
Salaries and commissions - salesmen	4.56	3.74
Salaries - sales office clerical	0.95	0.75
Payroll taxes	0.28	0.24
Employee benefits	0.35	0.19
Advertising	0.38	0.14
Travel and entertainment	1.03	0.69
Other selling expenses	1.51	2.22
TOTAL SELLING EXPENSES	10.02	8.97

** Sample insufficient for Profit Leaders.

MAGAZINE AND PERIODICAL		DIRECT MAIL - CATALOG**	NO PREDOMINANT SPECIALTY**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
2.77%	2.35%	2.53%	4.03%
28.65	25.86	28.94	34.84
5.52	5.15	1.90	3.68
1.04	0.83	1.48	1.82
2.75	2.64	2.40	1.91
5.46	5.42	4.02	6.72
46.19	42.25	41.27	53.00
0.50	0.48	0.33	0.23
5.75	6.03	4.81	3.34
0.29	0.27	0.32	0.22
0.22	0.19	0.00	0.57
0.26	0.36	0.32	0.27
0.59	0.32	1.52	1.80
3.15	3.13	3.79	2.26
1.01	0.68	0.36	0.21
11.77	11.46	11.45	8.90
5.34	5.46	4.25	6.61
1.51	1.97	0.04	1.89
2.85	2.62	3.24	3.18
1.10	0.98	0.58	2.00
10.80	11.03	8.11	13.68
22.57	22.49	19.56	22.58
2.36	2.03	1.40	2.69
2.44	2.32	0.61	2.75
0.37	0.27	0.10	0.23
0.71	0.80	0.36	0.47
0.82	0.49	1.16	1.09
0.59	0.67	0.07	0.29
0.60	0.44	0.27	0.61
0.11	0.25	0.00	0.11
0.43	0.39	0.15	0.52
2.12	0.79	2.58	4.18
10.55	8.45	6.70	12.94
0.92	0.99	1.56	0.34
2.55	1.27	7.09	1.63
0.94	0.69	2.45	1.07
0.24	0.12	0.48	0.10
0.48	0.33	0.41	0.42
0.37	0.13	0.31	0.12
0.81	0.60	1.16	0.31
0.81	1.02	1.01	2.60
7.12	5.15	14.47	6.59

REPORT ON OPERATIONS - SALES = 100%

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%
FACTORY COST OF PRODUCT		
MATERIALS		
Paper	34.12	30.06
Other chargeable materials	7.78	7.80
Outside services	4.95	7.21
TOTAL MATERIALS	46.85	45.07
FACTORY PAYROLL	22.85	20.11
FACTORY EXPENSES	12.82	12.13
TOTAL FACTORY COST OF PRODUCT	82.52	77.31
GROSS PROFIT	17.48	22.69
ADMINISTRATIVE AND SELLING EXPENSES		
Administrative expenses	5.52	5.69
Selling expenses	5.40	4.85
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	10.92	10.54
INCOME BEFORE INTEREST EXPENSE	6.56	12.15
Interest expense	1.73	1.02
OPERATING INCOME	4.83	11.13
Other income	0.50	0.58
INCOME BEFORE INCOME TAXES	5.33	11.71

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS		
Ink	5.14%	5.98%
Film	0.56	0.32
Plates	0.79	0.45
Other chargeable materials	1.29	1.05
TOTAL OTHER CHARGEABLE MATERIALS	7.78	7.80
OUTSIDE SERVICES		
Composition	0.11	0.09
Offset preparation	1.55	1.73
Printing	1.52	2.83
Binding	1.02	1.37
Other outside services	0.75	1.19
TOTAL OUTSIDE SERVICES	4.95	7.21

** Sample insufficient for Profit Leaders.

MAGAZINE AND PERIODICAL		DIRECT MAIL - CATALOG**	NO PREDOMINANT SPECIALTY**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%
28.67	23.62	27.67	22.83
7.67	8.21	8.51	4.63
5.21	4.44	10.70	4.69
41.55	36.27	46.88	32.15
27.15	26.93	21.92	35.92
13.35	14.44	10.39	15.37
82.05	77.64	79.19	83.44
17.95	22.36	20.81	16.56
5.70	5.32	3.56	8.70
4.12	3.36	7.68	4.42
9.82	8.68	11.24	13.12
8.13	13.68	9.57	3.44
1.78	1.74	2.23	0.61
6.35	11.94	7.34	2.83
0.76	1.00	0.06	0.03
7.11	12.94	7.40	2.86
5.03%	6.17%	6.99%	2.54%
0.68	0.47	0.47	0.94
1.16	0.99	0.52	0.30
0.80	0.58	0.53	0.85
7.67	8.21	8.51	4.63
0.10	0.05	0.00	0.04
0.64	0.75	0.00	2.08
2.10	1.33	0.00	1.88
0.95	0.42	10.70	0.43
1.42	1.89	0.00	0.26
5.21	4.44	10.70	4.69

SUPPORTING SCHEDULES - SALES = 100%

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL		
Salaries - executive	1.33%	0.87%
Direct wages	14.57	13.15
General factory salaries and wages	2.25	1.86
Packing, shipping and delivery wages	0.85	1.01
Payroll taxes	1.38	1.24
Employee benefits	2.47	1.98
TOTAL FACTORY PAYROLL	22.85	20.11
FACTORY EXPENSES		
Fixed Expenses		
Depreciation - real estate	0.28	0.17
Depreciation - other	3.49	2.98
Taxes - real estate	0.28	0.17
Taxes - other	0.21	0.09
Insurance	0.23	0.25
Building rent	0.59	0.73
Utilities - heat, light, etc.	1.74	1.85
Equipment rental	0.28	0.11
Total Fixed Expenses	7.10	6.35
Other Expenses		
Factory supplies and expense	2.49	2.68
Packing, shipping and delivery expense	0.90	0.78
Repairs and maintenance	1.56	1.64
Other factory expenses	0.77	0.68
Total Other Expenses	5.72	5.78
TOTAL FACTORY EXPENSES	12.82	12.13
ADMINISTRATIVE EXPENSES		
Salaries - executive	1.45	1.59
Salaries - office	1.20	1.14
Payroll taxes	0.15	0.13
Employee benefits	0.36	0.45
Bad debts	0.31	0.36
Office supplies and expenses	0.23	0.16
Professional fees	0.37	0.43
Taxes - business	0.07	0.02
Telephone	0.27	0.20
Other administrative expenses	1.11	1.21
TOTAL ADMINISTRATIVE EXPENSES	5.52	5.69
SELLING EXPENSES		
Salaries - executive	0.51	0.55
Salaries and commissions - salesmen	2.44	1.91
Salaries - sales office clerical	0.51	0.42
Payroll taxes	0.15	0.13
Employee benefits	0.19	0.11
Advertising	0.20	0.07
Travel and entertainment	0.55	0.36
Other selling expenses	0.85	1.30
TOTAL SELLING EXPENSES	5.40	4.85

** Sample insufficient for Profit Leaders.

MAGAZINE AND PERIODICAL		DIRECT MAIL - CATALOG**	NO PREDOMINANT SPECIALTY**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
1.64%	1.43%	1.35%	2.77%
16.67	16.48	15.36	23.49
3.30	3.34	1.01	2.46
0.61	0.53	0.79	1.22
1.65	1.70	1.28	1.31
3.28	3.45	2.13	4.67
27.15	26.93	21.92	35.92
0.30	0.30	0.17	0.15
3.39	3.83	2.57	2.26
0.17	0.17	0.17	0.14
0.13	0.13	0.00	0.38
0.15	0.23	0.17	0.18
0.35	0.22	0.80	1.20
1.90	2.02	2.01	1.54
0.61	0.46	0.19	0.15
7.00	7.36	6.08	6.00
3.19	3.51	2.26	4.58
0.89	1.29	0.02	1.26
1.63	1.64	1.72	2.18
0.64	0.64	0.31	1.35
6.35	7.08	4.31	9.37
13.35	14.44	10.39	15.37
1.31	1.29	0.74	1.80
1.38	1.42	0.32	1.83
0.19	0.16	0.05	0.15
0.43	0.52	0.19	0.33
0.43	0.31	0.61	0.71
0.33	0.40	0.04	0.20
0.34	0.29	0.14	0.41
0.07	0.17	0.00	0.07
0.23	0.24	0.08	0.35
0.99	0.52	1.39	2.85
5.70	5.32	3.56	8.70
0.57	0.67	0.83	0.24
1.45	0.80	3.76	1.09
0.54	0.43	1.30	0.74
0.14	0.08	0.25	0.07
0.29	0.21	0.22	0.28
0.20	0.09	0.16	0.08
0.43	0.39	0.62	0.21
0.50	0.69	0.54	1.71
4.12	3.36	7.68	4.42

BALANCE SHEET

	COMMERCIAL AND ADVERTISING	
ASSETS	ALL FIRMS	PROFIT LEADERS
CURRENT ASSETS		
Cash	4.96%	6.31%
Receivables	28.73	29.63
Inventories	17.33	11.99
Other current assets	3.48	3.63
TOTAL CURRENT ASSETS	54.50	51.56
FIXED ASSETS		
Real estate	10.15	5.29
Less: Accumulated depreciation	3.56	1.88
	6.59	3.41
Machinery and equipment	65.04	66.75
Less: Accumulated depreciation	33.42	34.89
	31.62	31.86
Other fixed assets	2.59	1.68
Less: Accumulated depreciation	1.47	0.86
	1.12	0.82
NET FIXED ASSETS	39.33	36.09
OTHER ASSETS	6.17	12.35
TOTAL ASSETS	100.00	100.00
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Notes payable	7.80	2.86
Accounts payable	14.41	11.05
Other current liabilities	9.84	13.00
TOTAL CURRENT LIABILITIES	32.05	26.91
LONG-TERM LIABILITIES	28.09	17.72
TOTAL LIABILITIES	60.14	44.63
SHAREHOLDERS' AND PROPRIETORS' EQUITY	39.86	55.37
TOTAL LIABILITIES AND EQUITY	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.70	1.92
QUICK RATIO	1.16	1.47
TOTAL LIABILITIES TO EQUITY	1.51	0.81
LONG-TERM LIABILITIES TO EQUITY	0.70	0.32
ACCUMULATED DEPRECIATION-MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.51	0.52

** Sample insufficient for Profit Leaders.

MAGAZINE AND PERIODICAL		DIRECT MAIL - CATALOG**	NO PREDOMINANT SPECIALTY**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
5.06%	8.62%	0.06%	11.75%
25.81	21.80	33.71	30.35
14.03	9.63	17.92	21.89
5.50	8.86	0.27	0.26
50.40	48.91	51.96	64.25
12.81	11.89	9.45	10.86
3.69	2.77	1.52	5.20
9.12	9.12	7.93	5.66
68.15	64.56	50.03	67.97
32.84	26.17	14.35	48.37
35.31	38.39	35.68	19.60
3.13	2.36	1.27	1.75
1.72	1.23	0.67	1.14
1.41	1.13	0.60	0.61
45.84	48.64	44.21	25.87
3.76	2.45	3.83	9.88
100.00	100.00	100.00	100.00
4.55	5.04	14.89	8.34
11.51	7.90	18.92	15.40
10.00	7.64	7.85	16.79
26.06	20.58	41.66	40.53
28.88	30.60	33.59	7.81
54.94	51.18	75.25	48.34
45.06	48.82	24.75	51.66
100.00	100.00	100.00	100.00
1.93	2.38	1.25	1.59
1.40	1.91	0.82	1.05
1.22	1.05	3.04	0.94
0.64	0.63	1.36	0.15
0.48	0.41	0.29	0.71

SIGNIFICANT FACTS

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Average assets per employee - All employees	$ 60,324	$ 71,377
Average assets per factory employee (Excluding Executives)	76,374	88,682
Average net worth per employee - All employees	24,104	39,358
Average gross plant investment per factory employee (Excluding Executives)	59,460	65,433
Net worth percentage of fixed assets	115.86%	180.73%
EMPLOYEES		
Percent factory - All employees	82.97%	83.06%
Percent administrative - All employees	9.14	9.31
Percent sales - All employees	7.89	7.63
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES		
Sales per employee - All employees	$ 106,924	$ 138,232
Sales per factory employee	129,508	166,904
Sales less material per factory employee	68,413	89,121
Sales per administrative employee	1,292,828	1,532,539
EXCLUDING EXECUTIVES		
Sales per employee - All employees	114,167	145,134
Sales per factory employee	135,250	171,618
Sales less material per factory employee	71,365	91,665
SALES PER SALESMAN	1,658,019	1,447,153
SALES TO CURRENT ASSETS	391%	398%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES		
Total payroll percentage of sales	29.82%	26.53%
Factory payroll percentage of gross plant investment	50.25	54.92
Payroll per employee - All employees	$ 30,624	$ 35,352
Payroll per factory employee	28,386	32,385
Payroll per administrative employee	37,003	49,261
Payroll per sales employee	46,709	50,425
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES		
Payroll per employee - All employees	$ 23,880	$ 27,624
Payroll per factory employee	22,764	26,535
Payroll per administrative employee	18,168	22,161
Payroll per sales employee	40,674	45,010
EXECUTIVE PAYROLL		
Payroll per executive - All executives	58,029	75,873
Payroll per factory executive	40,843	43,706
Payroll per administrative executive	74,130	96,778
Payroll per sales executive	49,955	42,942
RECEIVABLES		
Collection period	62.4	59.5
PROFIT		
Gross profit percentage of sales	17.48%	22.69%
Average gross profit per factory employee	$ 24,746	$ 37,852
Income before taxes percentage of sales	5.33%	11.71%
Average income before taxes per employee	$ 6,538	$ 15,586

** Sample insufficient for Profit Leaders.

MAGAZINE AND PERIODICAL		DIRECT MAIL - CATALOG**	NO PREDOMINANT SPECIALTY**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 51,548	$ 58,160	$ 84,490	$ 32,877
63,684	68,265	122,512	40,723
22,468	28,311	20,595	17,263
50,503	52,518	70,403	29,717
106.23%	114.85%	56.20%	621.62%
85.22%	89.05%	75.47%	84.93%
9.00	7.42	5.16	10.64
5.78	3.53	19.37	4.43
$ 86,318	$ 82,024	$ 163,515	$ 58,606
105,045	92,828	223,731	68,619
57,549	58,189	118,854	46,340
1,240,904	1,454,654	3,574,050	1,641,502
92,268	86,229	176,086	63,992
109,079	96,501	239,768	73,396
59,901	60,367	127,373	49,641
3,106,356	4,873,577	1,222,361	1,323,367
369%	325%	373%	326%
33.44%	32.52%	29.60%	42.46%
58.83	52.93	72.02	100.00
$ 27,755	$ 26,392	$ 47,724	$ 24,666
26,348	24,452	46,905	24,590
34,488	42,645	44,411	26,807
46,413	50,862	56,453	24,755
$ 21,358	$ 19,568	$ 39,037	$ 19,544
21,072	19,153	38,909	19,963
18,023	19,938	14,448	15,269
34,873	31,650	46,770	19,719
55,850	72,830	70,220	34,919
37,468	42,856	48,138	30,429
77,663	108,826	115,341	40,605
56,794	88,941	134,042	34,795
55.9	54.8	65.0	60.4
17.95%	22.36%	20.81%	16.56%
$ 18,836	$ 21,338	$ 51,943	$ 12,030
7.11%	12.94%	7.40%	2.86%
$ 5,681	$ 10,455	$ 12,048	$ 1,656

RETURN ON INVESTMENT - PER $100 OF SALES

	COMMERCIAL AND ADVERTISING	
	ALL FIRMS	PROFIT LEADERS
INVESTMENT		
Current Assets:		
Cash	$ 4.18	$ 3.51
Receivables	16.35	15.53
Inventories	8.23	6.38
Marketable securities	0.69	0.54
Other current assets	1.04	1.38
	30.49	27.34
Plant Investment:		
Land and building	6.17	3.12
Machinery and equipment	38.31	34.52
Other fixed assets	1.60	0.87
	46.08	38.51
Non-Current Assets	3.50	6.42
TOTAL INVESTMENT	80.07	72.27
INVESTMENT TURNOVER PER $100 OF SALES	124.89%	138.37%
EARNINGS		
Cost of Product	$82.52	$77.31
Selling Expenses	5.40	4.85
Administrative Expenses	5.52	5.69
	93.44	87.85
Income Before Interest, Other Income, and Taxes	6.56	12.15
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	8.19%	16.81%

** Sample insufficient for Profit Leaders.

MAGAZINE AND PERIODICAL		DIRECT MAIL - CATALOG**	NO PREDOMINANT SPECIALTY**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 3.28	$ 6.70	$ 0.03	$ 8.17
14.74	14.44	17.57	15.53
7.93	6.81	9.15	12.87
1.55	3.61	0.00	0.00
2.05	2.68	0.15	0.13
29.55	34.24	26.90	36.70
8.10	8.24	5.38	5.34
39.90	44.13	26.49	34.77
1.69	1.62	0.67	0.84
49.69	53.99	32.54	40.95
2.56	1.73	1.90	4.75
81.80	89.96	61.34	82.40
122.25%	111.16%	163.03%	121.36%
$82.05	$77.64	$79.19	$83.44
4.12	3.36	7.68	4.42
5.70	5.32	3.56	8.70
91.87	86.32	90.43	96.56
8.13	13.68	9.57	3.44
9.94%	15.21%	15.60%	4.17%

CHAPTER 3 - BY PERCENTAGE OF PAPER SUPPLIED

REPORT ON OPERATIONS - VALUE ADDED = 100%

	0% TO 11%		11% TO 21%	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	X	X	X	X
LESS: PAPER, OTHER CHARGEABLE MATERIALS AND OUTSIDE SERVICES	X	X	X	X
VALUE ADDED BY MANUFACTURE	100.00%	100.00%	100.00%	100.00%
FACTORY PAYROLL	45.51	45.19	45.78	38.00
FACTORY EXPENSES	22.82	16.51	22.29	22.10
TOTAL FACTORY COST OF PRODUCT	68.33	61.70	68.07	60.10
GROSS PROFIT	31.67	38.30	31.93	39.90
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	12.45	6.97	8.72	10.92
Selling expenses	9.80	7.53	9.63	7.65
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	22.25	14.50	18.35	18.57
INCOME BEFORE INTEREST EXPENSE	9.42	23.80	13.58	21.33
Interest expense	3.13	1.72	3.44	3.65
OPERATING INCOME	6.29	22.08	10.14	17.68
Other income	1.20	2.46	0.96	0.50
INCOME BEFORE INCOME TAXES	7.49	24.54	11.10	18.18

** Sample insufficient for Profit Leaders.

21% TO 41%**	41% TO 61%		OVER 61%	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
X	X	X	X	X
X	X	X	X	X
100.00%	100.00%	100.00%	100.00%	100.00%
50.17 23.35	43.72 23.54	41.59 19.76	43.72 24.39	41.69 24.22
73.52	67.26	61.35	68.11	65.91
26.48	32.74	38.65	31.89	34.09
8.13 7.52	9.11 7.93	10.98 6.94	8.73 6.56	8.03 5.97
15.65	17.04	17.92	15.29	14.00
10.83	15.70	20.73	16.60	20.09
2.25	2.69	2.51	2.28	2.16
8.58	13.01	18.22	14.32	17.93
0.92	1.09	1.00	1.69	2.17
9.50	14.10	19.22	16.01	20.10

CHAPTER 3 - BY PERCENTAGE OF PAPER SUPPLIED

SUPPORTING SCHEDULES - VALUE ADDED = 100%

	0% TO 11%		11% TO 21%	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	3.01%	2.45%	2.97%	3.47%
Direct wages	29.00	30.55	25.32	14.66
General factory salaries and wages	4.79	2.40	5.80	7.32
Packing, shipping and delivery wages	0.96	1.39	2.57	3.93
Payroll taxes	2.49	2.93	3.58	2.37
Employee benefits	5.26	5.47	5.54	6.25
TOTAL FACTORY PAYROLL	45.51	45.19	45.78	38.00
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.57	0.61	0.35	0.32
Depreciation - other	6.35	6.30	5.82	5.79
Taxes - real estate	0.49	0.46	0.34	0.35
Taxes - other	0.20	0.00	0.48	0.05
Insurance	0.31	0.27	0.25	0.13
Building rent	0.91	0.16	0.44	0.42
Utilities - heat, light, etc.	2.80	2.66	3.34	3.17
Equipment rental	0.67	0.56	0.23	0.32
Total Fixed Expenses	12.30	11.02	11.25	10.55
Other Expenses				
Factory supplies and expense	4.88	5.83	5.04	7.16
Packing, shipping and delivery expense	1.78	0.45	1.34	1.86
Repairs and maintenance	2.78	1.92	1.96	0.81
Other factory expenses	1.08	(2.71)	2.70	1.72
Total Other Expenses	10.52	5.49	11.04	11.55
TOTAL FACTORY EXPENSES	22.82	16.51	22.29	22.10
ADMINISTRATIVE EXPENSES				
Salaries - executive	2.74	0.90	1.69	1.91
Salaries - office	2.62	2.14	1.96	2.26
Payroll taxes	0.43	0.17	0.22	0.28
Employee benefits	0.67	1.01	0.50	0.74
Bad debts	0.87	1.29	0.78	0.29
Office supplies and expenses	0.58	0.61	0.42	0.64
Professional fees	0.69	0.24	0.46	0.59
Taxes - business	0.12	0.02	0.22	0.54
Telephone	0.55	0.40	0.45	0.18
Other administrative expenses	3.18	0.19	2.02	3.49
TOTAL ADMINISTRATIVE EXPENSES	12.45	6.97	8.72	10.92
SELLING EXPENSES				
Salaries - executive	1.13	0.62	0.88	1.03
Salaries and commissions - salesmen	4.25	3.18	5.41	5.45
Salaries - sales office clerical	1.06	1.48	0.69	0.19
Payroll taxes	0.28	0.28	0.31	0.06
Employee benefits	0.53	0.58	0.49	0.46
Advertising	0.47	0.15	0.27	0.00
Travel and entertainment	1.19	0.86	0.62	0.46
Other selling expenses	0.89	0.38	0.96	0.00
TOTAL SELLING EXPENSES	9.80	7.53	9.63	7.65

** Sample insufficient for Profit Leaders.

21% TO 41%**	41% TO 61%		OVER 61%	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
2.63%	3.08%	1.68%	2.14%	1.60%
31.94	25.87	23.61	27.73	28.06
5.85	5.76	9.37	4.35	3.18
1.88	1.14	0.33	1.14	1.15
2.95	2.72	2.69	2.81	2.65
4.92	5.15	3.91	5.55	5.05
50.17	43.72	41.59	43.72	41.69
0.38	0.63	0.31	0.44	0.43
4.64	5.05	3.11	5.98	6.48
0.42	0.09	0.11	0.35	0.35
0.50	0.51	0.13	0.14	0.20
0.17	0.48	0.63	0.24	0.27
0.70	0.87	1.04	0.99	1.07
3.69	3.44	3.39	3.89	3.63
1.37	1.07	0.36	1.21	1.04
11.87	12.14	9.08	13.24	13.47
4.83	5.45	4.28	6.10	5.51
2.64	1.81	2.54	1.12	1.26
2.65	3.26	2.50	3.17	3.19
1.36	0.88	1.36	0.76	0.79
11.48	11.40	10.68	11.15	10.75
23.35	23.54	19.76	24.39	24.22
1.58	3.20	3.71	2.62	2.26
1.79	1.68	2.16	1.98	1.84
0.21	0.21	0.21	0.28	0.22
0.56	0.89	1.17	0.69	0.74
0.85	0.47	0.51	0.26	0.39
0.47	0.34	0.47	0.38	0.33
0.39	0.47	0.46	0.65	0.62
0.07	0.05	0.08	0.12	0.16
0.37	0.51	0.64	0.34	0.34
1.84	1.29	1.57	1.41	1.13
8.13	9.11	10.98	8.73	8.03
0.56	0.63	0.36	0.91	1.13
2.98	2.31	2.08	2.03	1.34
1.68	1.33	0.61	0.54	0.49
0.27	0.24	0.16	0.15	0.11
0.41	0.46	0.21	0.26	0.23
0.14	0.26	0.12	0.34	0.18
0.75	0.99	0.94	0.60	0.54
0.73	1.71	2.46	1.73	1.95
7.52	7.93	6.94	6.56	5.97

CHAPTER 3 - BY PERCENTAGE OF PAPER SUPPLIED

REPORT ON OPERATIONS - SALES = 100%

	0% TO 11%		11% TO 21%	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIALS				
Paper	34.28	39.05	30.80	29.38
Other chargeable materials	6.72	6.18	6.46	5.79
Outside services	6.10	8.65	4.55	6.39
TOTAL MATERIALS	47.10	53.88	41.81	41.56
FACTORY PAYROLL	24.29	21.06	26.74	22.43
FACTORY EXPENSES	12.19	7.79	13.02	13.11
TOTAL FACTORY COST OF PRODUCT	83.58	82.73	81.57	77.10
GROSS PROFIT	16.42	17.27	18.43	22.90
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	6.21	3.14	5.01	6.20
Selling expenses	5.22	3.46	5.50	4.29
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	11.43	6.60	10.51	10.49
INCOME BEFORE INTEREST EXPENSE	4.99	10.67	7.92	12.41
Interest expense	1.68	0.85	1.92	2.10
OPERATING INCOME	3.31	9.82	6.00	10.31
Other income	0.59	1.12	0.60	0.34
INCOME BEFORE INCOME TAXES	3.90	10.94	6.60	10.65

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS				
Ink	3.60%	5.40%	3.46%	3.50%
Film	0.81	0.27	0.83	0.32
Plates	0.96	0.29	1.42	1.02
Other chargeable materials	1.35	0.22	0.75	0.95
TOTAL OTHER CHARGEABLE MATERIALS	6.72	6.18	6.46	5.79
OUTSIDE SERVICES				
Composition	0.13		0.00	0.00
Offset preparation	1.23		0.38	0.62
Printing	2.64		1.17	1.92
Binding	1.18		1.14	1.86
Other outside services	0.92		1.86	1.99
TOTAL OUTSIDE SERVICES	6.10	***	4.55	6.39

** Sample insufficient for Profit Leaders.
*** Information not submitted.

21% TO 41%**	41% TO 61%		OVER 61%	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%	100.00%
28.42	28.26	23.94	16.40	16.48
7.41	7.67	6.90	11.84	12.19
5.83	2.71	3.33	3.04	3.16
41.66	38.64	34.17	31.28	31.83
29.26	27.16	27.39	30.18	28.50
13.70	14.18	13.08	16.77	16.48
84.62	79.98	74.64	78.23	76.81
15.38	20.02	25.36	21.77	23.19
4.75	5.56	7.15	6.00	5.46
4.30	4.83	4.51	4.51	4.08
9.05	10.39	11.66	10.51	9.54
6.33	9.63	13.70	11.26	13.65
1.30	1.53	1.71	1.56	1.48
5.03	8.10	11.99	9.70	12.17
0.55	0.63	0.65	1.18	1.49
5.58	8.73	12.64	10.88	13.66
5.31%	5.42%	5.31%	9.60%	9.83%
0.49	0.88	0.47	0.23	0.26
0.70	0.93	0.91	0.99	0.88
0.91	0.44	0.21	1.02	1.22
7.41	7.67	6.90	11.84	12.19
0.05	0.08	0.14	0.11	0.02
1.44	0.69	1.14	0.60	0.54
0.62	0.46	0.76	1.04	1.27
3.16	0.10	0.12	0.48	0.46
0.56	1.38	1.17	0.81	0.87
5.83	2.71	3.33	3.04	3.16

CHAPTER 3 - BY PERCENTAGE OF PAPER SUPPLIED

SUPPORTING SCHEDULES - SALES = 100%

	0% TO 11%		11% TO 21%	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	1.69%	1.27%	1.76%	2.12%
Direct wages	15.37	14.09	14.80	8.48
General factory salaries and wages	2.51	1.03	3.40	4.57
Packing, shipping and delivery wages	0.51	0.67	1.41	2.04
Payroll taxes	1.34	1.35	2.06	1.40
Employee benefits	2.87	2.65	3.31	3.82
TOTAL FACTORY PAYROLL	24.29	21.06	26.74	22.43
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.30	0.29	0.22	0.21
Depreciation - other	3.39	2.86	3.40	3.46
Taxes - real estate	0.25	0.21	0.20	0.18
Taxes - other	0.12	0.00	0.28	0.04
Insurance	0.17	0.14	0.15	0.09
Building rent	0.50	0.06	0.23	0.22
Utilities - heat, light, etc.	1.50	1.18	1.93	1.80
Equipment rental	0.39	0.29	0.15	0.21
Total Fixed Expenses	6.62	5.03	6.56	6.21
Other Expenses				
Factory supplies and expense	2.63	2.75	3.00	4.38
Packing, shipping and delivery expense	0.90	0.20	0.78	1.07
Repairs and maintenance	1.41	0.89	1.12	0.42
Other factory expenses	0.63	(1.08)	1.56	1.03
Total Other Expenses	5.57	2.76	6.46	6.90
TOTAL FACTORY EXPENSES	12.19	7.79	13.02	13.11
ADMINISTRATIVE EXPENSES				
Salaries - executive	1.37	0.42	1.01	1.14
Salaries - office	1.34	0.91	1.12	1.26
Payroll taxes	0.20	0.08	0.13	0.15
Employee benefits	0.36	0.42	0.30	0.45
Bad debts	0.43	0.64	0.44	0.19
Office supplies and expenses	0.30	0.29	0.25	0.39
Professional fees	0.36	0.10	0.28	0.36
Taxes - business	0.07	0.01	0.14	0.35
Telephone	0.28	0.18	0.25	0.09
Other administrative expenses	1.50	0.09	1.09	1.82
TOTAL ADMINISTRATIVE EXPENSES	6.21	3.14	5.01	6.20
SELLING EXPENSES				
Salaries - executive	0.64	0.29	0.53	0.67
Salaries and commissions - salesmen	2.22	1.39	3.01	2.86
Salaries - sales office clerical	0.58	0.74	0.41	0.12
Payroll taxes	0.16	0.13	0.18	0.04
Employee benefits	0.30	0.29	0.30	0.30
Advertising	0.24	0.06	0.15	0.00
Travel and entertainment	0.59	0.40	0.37	0.30
Other selling expenses	0.49	0.16	0.55	0.00
TOTAL SELLING EXPENSES	5.22	3.46	5.50	4.29

** Sample insufficient for Profit Leaders.

21% TO 41%**	41% TO 61%		OVER 61%	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
1.50%	1.79%	1.14%	1.43%	1.07%
18.69	16.07	15.61	19.16	19.19
3.39	3.69	6.11	3.04	2.18
1.08	0.67	0.24	0.77	0.78
1.71	1.68	1.78	1.94	1.82
2.89	3.26	2.51	3.84	3.46
29.26	27.16	27.39	30.18	28.50
0.23	0.37	0.21	0.31	0.30
2.76	2.97	2.05	4.07	4.41
0.25	0.05	0.07	0.24	0.24
0.31	0.27	0.09	0.10	0.14
0.11	0.29	0.41	0.17	0.18
0.39	0.51	0.65	0.68	0.72
2.11	2.10	2.25	2.68	2.47
0.76	0.53	0.25	0.83	0.73
6.92	7.09	5.98	9.08	9.19
2.84	3.40	2.86	4.22	3.74
1.63	1.07	1.69	0.77	0.84
1.53	2.05	1.63	2.17	2.16
0.78	0.57	0.92	0.53	0.55
6.78	7.09	7.10	7.69	7.29
13.70	14.18	13.08	16.77	16.48
0.95	1.85	2.34	1.78	1.54
1.04	1.05	1.42	1.38	1.26
0.12	0.13	0.14	0.19	0.15
0.32	0.58	0.78	0.48	0.51
0.49	0.30	0.34	0.18	0.27
0.26	0.22	0.32	0.26	0.22
0.22	0.30	0.31	0.44	0.41
0.04	0.03	0.05	0.09	0.11
0.22	0.32	0.42	0.23	0.23
1.09	0.78	1.03	0.97	0.76
4.75	5.56	7.15	6.00	5.46
0.32	0.36	0.25	0.63	0.79
1.70	1.39	1.34	1.39	0.91
0.96	0.83	0.42	0.36	0.33
0.15	0.15	0.11	0.10	0.07
0.24	0.28	0.14	0.18	0.16
0.08	0.16	0.08	0.24	0.13
0.42	0.60	0.61	0.42	0.37
0.43	1.06	1.56	1.19	1.32
4.30	4.83	4.51	4.51	4.08

CHAPTER 3 - BY PERCENTAGE OF PAPER SUPPLIED

BALANCE SHEET

	0% TO 11%		11% TO 21%	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	4.90%	0.76%	3.08%	5.98%
Receivables	26.82	23.57	34.65	35.65
Inventories	21.41	15.43	11.95	8.13
Other current assets	3.65	7.02	8.04	0.14
TOTAL CURRENT ASSETS	56.78	46.78	57.72	49.90
FIXED ASSETS				
Real estate	11.43	10.87	10.66	5.49
Less: Accumulated depreciation	3.73	2.47	4.02	1.28
	7.70	8.40	6.64	4.21
Machinery and equipment	63.56	60.57	75.19	70.37
Less: Accumulated depreciation	32.54	25.56	43.53	28.10
	31.02	35.01	31.66	42.27
Other fixed assets	3.36	1.67	1.07	0.00
Less: Accumulated depreciation	1.95	0.26	0.50	0.00
	1.41	1.41	0.57	0.00
NET FIXED ASSETS	40.13	44.82	38.87	46.48
OTHER ASSETS	3.09	8.40	3.41	3.62
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	5.61	2.54	19.20	6.54
Accounts payable	15.04	12.33	12.93	10.77
Other current liabilities	11.61	10.08	7.38	4.81
TOTAL CURRENT LIABILITIES	32.26	24.95	39.51	22.12
LONG-TERM LIABILITIES	26.56	26.15	18.89	16.10
TOTAL LIABILITIES	58.82	51.10	58.40	38.22
SHAREHOLDERS' AND PROPRIETORS' EQUITY	41.18	48.90	41.60	61.78
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.76	1.87	1.46	2.26
QUICK RATIO	1.10	1.26	1.16	1.89
TOTAL LIABILITIES TO EQUITY	1.43	1.04	1.40	0.62
LONG-TERM LIABILITIES TO EQUITY	0.64	0.53	0.45	0.26
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.51	0.42	0.58	0.40

** Sample insufficient for Profit Leaders.

21% TO 41%**	41% TO 61%		OVER 61%	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
4.52%	2.52%	3.58%	2.85%	3.09%
31.91	25.15	25.41	25.10	23.62
17.76	12.39	10.47	8.71	6.91
2.40	1.53	3.27	8.71	11.78
56.59	41.59	42.73	45.37	45.40
14.72	14.36	11.58	13.33	12.14
5.16	4.16	4.23	3.70	2.34
9.56	10.20	7.35	9.63	9.80
61.21	68.79	64.69	76.14	68.80
32.72	31.31	33.66	37.92	29.18
28.49	37.48	31.03	38.22	39.62
2.68	3.03	1.32	2.90	2.29
1.36	1.57	0.94	1.32	0.96
1.32	1.46	0.38	1.58	1.33
39.37	49.14	38.76	49.43	50.75
4.04	9.27	18.51	5.20	3.85
100.00	100.00	100.00	100.00	100.00
4.53	5.97	7.58	3.28	3.56
16.23	14.38	10.08	9.49	8.59
7.92	10.59	10.17	10.33	9.56
28.68	30.94	27.83	23.10	21.71
25.82	24.57	33.44	30.49	29.68
54.50	55.51	61.27	53.59	51.39
45.50	44.49	38.73	46.41	48.61
100.00	100.00	100.00	100.00	100.00
1.97	1.34	1.54	1.96	2.09
1.35	0.94	1.16	1.59	1.77
1.20	1.25	1.58	1.15	1.06
0.57	0.55	0.86	0.66	0.61
0.53	0.46	0.52	0.50	0.42

SIGNIFICANT FACTS

	0% TO 11%		11% TO 21%	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 54,610	$ 94,717	$ 51,567	$ 62,475
Average assets per factory employee (Excluding Executives)	71,056	113,389	66,649	87,223
Average net worth per employee - All employees	21,749	49,615	21,492	43,249
Average gross plant investment per factory employee (Excluding Executives)	54,094	81,511	54,726	65,235
Net worth percentage of fixed assets	127.20%	127.52%	122.04%	135.15%
EMPLOYEES				
Percent factory - All employees	81.81%	86.65%	84.28%	82.08%
Percent administrative - All employees	9.84	6.22	8.50	10.77
Percent sales - All employees	8.35	7.13	7.22	7.15
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 98,259	$ 160,006	$ 101,521	$ 115,713
Sales per factory employee	124,206	185,673	125,820	154,884
Sales less material per factory employee	61,550	81,035	70,105	84,450
Sales per administrative employee	1,436,797	2,618,106	1,248,657	1,193,667
EXCLUDING EXECUTIVES				
Sales per employee - All employees	106,210	165,581	107,651	123,661
Sales per factory employee	129,608	190,665	132,192	164,556
Sales less material per factory employee	64,569	83,594	73,600	89,750
SALES PER SALESMAN	1,565,870	3,250,038	1,188,551	500,000
SALES TO CURRENT ASSETS	391%	344%	337%	349%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES				
Total payroll percentage of sales	31.47%	25.74%	33.73%	29.42%
Factory payroll percentage of gross plant investment	54.83	45.31	63.50	50.02
Payroll per employee - All employees	$ 29,219	$ 38,550	$ 32,617	$ 32,264
Payroll per factory employee	27,233	35,891	30,905	30,547
Payroll per administrative employee	34,281	47,463	29,786	35,831
Payroll per sales employee	44,060	65,238	70,828	89,546
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 22,774	$ 30,284	$ 25,424	$ 24,855
Payroll per factory employee	21,906	28,842	24,228	23,551
Payroll per administrative employee	18,358	26,258	15,591	16,305
Payroll per sales employee	37,355	55,905	51,539	51,007
EXECUTIVE PAYROLL				
Payroll per executive - All executives	52,154	75,991	62,534	50,911
Payroll per factory executive	36,439	53,580	56,774	38,349
Payroll per administrative executive	69,308	102,762	83,276	105,402
Payroll per sales executive	48,719	95,916	82,381	111,873
RECEIVABLES				
Collection period	57.7	58.3	66.9	76.0
PROFIT				
Gross profit percentage of sales	16.42%	17.27%	18.43%	22.90%
Average gross profit per factory employee	$ 21,678	$ 33,207	$ 25,358	$ 38,805
Income before taxes percentage of sales	3.90%	10.94%	6.60%	10.65%
Average income before taxes per employee	$ 4,157	$ 18,227	$ 6,232	$ 11,520

** Sample insufficient for Profit Leaders.

21% TO 41%**	41% TO 61%		OVER 61%	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 50,523	$ 53,071	$ 46,234	$ 57,349	$ 65,091
65,112	65,564	53,241	66,748	74,139
19,917	24,764	18,188	25,455	29,574
45,230	53,766	39,574	59,984	62,743
126.73%	116.45%	157.13%	101.86%	106.43%
84.76%	86.81%	89.72%	87.84%	89.86%
6.40	6.99	6.27	8.34	6.92
8.84	6.20	4.01	3.82	3.22
$ 99,011	$ 89,056	$ 91,360	$ 90,678	$ 96,297
122,223	103,135	102,447	103,765	107,556
69,554	60,925	66,412	71,073	72,607
1,715,840	1,385,407	1,646,391	1,270,040	1,499,644
105,245	96,049	95,844	94,881	99,894
129,064	109,166	105,338	106,506	109,785
73,348	64,250	68,344	72,883	74,073
4,854,165	2,732,826	4,090,186	3,738,052	4,387,403
361%	433%	469%	380%	349%
35.08%	33.78%	34.33%	36.68%	34.22%
76.80	58.63	73.54	55.70	52.72
$ 33,152	$ 28,507	$ 30,883	$ 32,340	$ 31,649
32,674	26,084	27,124	30,766	29,330
33,536	48,194	71,697	43,641	48,895
39,433	43,263	49,327	53,768	51,387
$ 26,923	$ 21,247	$ 23,398	$ 24,277	$ 23,532
26,990	20,792	22,486	24,178	23,169
17,332	19,034	29,653	20,319	21,930
32,856	35,256	42,108	39,289	33,726
49,009	57,770	77,912	81,981	95,701
40,278	34,950	40,079	40,476	47,321
65,770	90,704	119,858	104,516	124,841
64,000	61,256	55,979	71,867	92,722
61.3	55.8	50.6	56.8	59.7
15.38%	20.02%	25.36%	21.77%	23.19%
$ 22,186	$ 21,859	$ 27,450	$ 22,282	$ 24,850
5.58%	8.73%	12.64%	10.88%	13.66%
$ 5,852	$ 7,929	$ 11,766	$ 9,504	$ 12,407

RETURN ON INVESTMENT - PER $100 OF SALES

	0% TO 11%		11% TO 21%	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 3.52	$ 0.58	$ 1.74	$ 3.62
Receivables	15.25	15.33	17.14	19.91
Inventories	9.86	9.52	6.41	5.13
Marketable securities	0.17	2.22	4.06	0.00
Other current assets	1.69	2.12	0.53	0.09
	30.49	29.77	29.88	28.75
Plant Investment:				
Land and building	6.89	7.53	6.37	3.75
Machinery and equipment	36.36	39.94	40.86	41.00
Other fixed assets	1.76	0.84	0.40	0.00
	45.01	48.31	47.63	44.75
Non-Current Assets	1.95	4.30	1.95	2.47
TOTAL INVESTMENT	77.45	82.38	79.46	75.97
INVESTMENT TURNOVER PER $100 OF SALES	129.12%	121.39%	125.85%	131.63%
EARNINGS				
Cost of Product	$83.58	$82.73	$81.57	$77.10
Selling Expenses	5.22	3.46	5.50	4.29
Administrative Expenses	6.21	3.14	5.01	6.20
	95.01	89.33	92.08	87.59
Income Before Interest, Other Income, and Taxes	4.99	10.67	7.92	12.41
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	6.44%	12.95%	9.97%	16.34%

** Sample insufficient for Profit Leaders.

21% TO 41%**	41% TO 61%		OVER 61%	
ALL FIRMS	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 2.28	$ 1.57	$ 2.03	$ 2.50	$ 2.72
15.90	14.51	13.27	15.08	15.89
9.05	7.04	5.21	5.46	4.77
0.04	0.63	1.42	3.24	4.45
1.33	0.17	0.25	3.15	4.22
28.60	23.92	22.18	29.43	32.05
7.65	8.56	6.18	9.30	8.98
31.12	39.79	34.08	46.08	46.92
1.28	1.94	0.65	2.04	1.86
40.05	50.29	40.91	57.42	57.76
1.85	4.62	8.69	4.01	2.53
70.50	78.83	71.78	90.86	92.34
141.84%	126.86%	139.31%	110.06%	108.30%
$84.62	$79.98	$74.64	$78.23	$76.81
4.30	4.83	4.51	4.51	4.08
4.75	5.56	7.15	6.00	5.46
93.67	90.37	86.30	88.74	86.35
6.33	9.63	13.70	11.26	13.65
8.98%	12.22%	19.09%	12.39%	14.78%

ABSOLUTE DATA

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING** TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL FIRMS	71	$17,008,000	$29,356,000	$2,109,000
TOTAL - PROFIT LEADERS*	22	23,558,000	39,002,000	4,530,000
BY SIZE OF FIRM				
ALL FIRMS				
$1,500,000-$5,000,000	4	2,032,000	4,352,000	251,000
$5,000,000-$10,000,000	13	5,721,000	7,980,000	276,000
$10,000,000-$20,000,000	16	8,602,000	16,543,000	1,065,000
Over $20,000,000	37	26,677,000	45,883,000	3,462,000
PROFIT LEADERS				
$5,000,000-$10,000,000	2	6,229,000	9,300,000	1,183,000
$10,000,000-$20,000,000	4	9,515,000	15,494,000	2,154,000
Over $20,000,000	15	31,069,000	51,581,000	5,873,000
BY PRODUCT SPECIALTY				
ALL FIRMS				
Commercial and Advertising	30	16,267,000	29,257,000	1,786,000
Magazine and Periodical	34	18,224,000	30,450,000	2,467,000
Direct Mail - Catalog	2	17,298,000	31,839,000	2,386,000
No Predominant Specialty	4	11,052,000	18,537,000	629,000
PROFIT LEADERS				
Commercial and Advertising	9	16,534,000	32,200,000	3,628,000
Magazine and Periodical	12	29,029,000	44,568,000	5,171,000
BY PERCENTAGE OF PAPER SUPPLIED				
ALL FIRMS				
0% To 11%	27	14,715,000	26,359,000	1,529,000
11% To 21%	6	11,286,000	21,168,000	1,504,000
21% To 41%	7	13,147,000	25,626,000	1,354,000
41% To 61%	7	28,236,000	51,259,000	4,634,000
Over 61%	11	20,733,000	29,890,000	3,417,000
PROFIT LEADERS				
0% To 11%	2	44,412,000	81,202,000	9,558,000
11% To 21%	2	18,098,000	31,955,000	3,306,000
41% To 61%	3	45,207,000	87,307,000	8,864,000
Over 61%	8	24,823,000	33,502,000	4,500,000

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on page 49.

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

Firm	Sales	Factory Payroll	% of Sales: Firm's Ratio Factory Payroll	% of Sales: PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	

HOW DO YOU COMPARE IN NORTH AMERICA?

The Individual Company Computer Printout is a fundamental part of the PIA Financial Ratio Study. It is a detailed, well-organized presentation of key financial information that encompasses every facet of your printing business. It contains data specific to your company that are not available in the published volumes of the study. The Individual Company Computer Printout, designed with you, the busy printing executive in mind, is a concise presentation of:

- Your firm's operating statement;
- Your firm's balance sheet;
- Supporting schedules for your firm's income statement and balance sheet; and
- Your firm's Return on Investment.

In addition:

- Your firm's financial data are expressed in dollars and ratio form;
- The ratios of your printing firm are compared side by side with the ratios of all other ratio study participants and "profit leaders," based on both sales revenue and value added. Ratios of survey participants and "profit leaders" that produce the same products and use the same manufacturing process are also presented for your immediate comparison;
- Using the same presentation format described in the previous item, the ratios of your printing firm are also compared side by side with the ratios of all survey participants and "profit leaders" that are approximately the same size in terms of sales; and
- Finally, "significant facts" statistics are presented to help you gauge where your company stands relative to industry "profit leaders" and the U.S. and Canadian printing industries as a whole.

Because of the detail that the Individual Company Computer Printout contains, it can quickly help you identify those areas and operations of your business that are running efficiently and those that are not. You'll be able to ascertain the seriousness of problems and how much corrective action is necessary. The bottom line is that you can purchase all of these data for a small fraction of what you would have to pay if you generated a similar analysis from scratch.

If you are part of the 1984 database, and have not already done so, I urge you to make the investment. If you are not part of the database, please consider participating in the 1985 PIA Financial Ratio Study and availing yourself of this particular service.

William A. Rose, II
Director
PIA Financial Services